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September 23, 1954

Mr. W. Park Armstrong, Jr.  
Special Assistant, Intelligence  
Department of State  
Washington 25, D. C.

Dear Park:

This is to acknowledge receipt of your letter of 9 September 1954 stating that it is not possible for the Department to provide funds for increased intelligence support to USIA, in pursuance of the USIA Survey, through the curtailment of activities in the Department's intelligence area or elsewhere.

I am informed by the CIA Coordinator of the NIS Program that he has examined with the Department of State the recommendations of the USIA Survey for an expansion of intelligence productions by the Department under that program. In order to minimize the delay in giving effect to these recommendations, it will be convenient to consider them in two parts, corresponding to the two separate estimates you have submitted. The cost of one part of the additional intelligence production recommended (specifically that relating to selected segments of foreign societies, media research and analysis, foreign propaganda, impact of factors affecting public opinion and pertinent descriptive detail on foreign localities) is estimated at an annual rate of [REDACTED]. It is my understanding from the estimate for Fiscal Year 1955 submitted to the CIA Comptroller on 15 September 1954 that this expansion of the Department's work under the NIS Program will require [REDACTED] in the current Fiscal Year in addition to the amount originally budgeted for the NIS Program.

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The foregoing financial arrangements, together with whatever provision may be determined to be appropriate for work on international communism, are required to implement the recommendations of the USIA Survey as far as Fiscal Years 1955 and 1956 are concerned. However, the scheduled reexamination of the method of financing State's NIS Program by CIA in cooperation with the Bureau of the Budget and the Department of State should be concluded by 15 February 1955, in order that the conclusions of such reexamination may be reflected in the budget for Fiscal Year 1957.

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In view of the foregoing, I am requesting the Comptroller of this Agency, Mr. Edward R. Saunders, to arrange with your Executive Director to transfer the funds required for this purpose in the Fiscal Year 1955, subject to the concurrence of the Bureau of the Budget. Looking beyond the current Fiscal Year the Agency will attempt to make all necessary arrangements, subject to the usual review by the Bureau of the Budget to provide the Department in Fiscal Year 1956 with the funds required on a full annual basis for this part of the recommended expansion of the NIS Program, that is for additional intelligence production on the subjects listed above. These transfers for Fiscal Years 1955 and 1956 are exclusive of any provision for the second part of the recommended expansion of the NIS Program, that is, for the additional intelligence production on international communism referred to below.

In connection with the expansion of the work on international communism, I hope that the discussions which you and Mr. Bissell will shortly be holding can be concluded promptly in order that research in that area can proceed at once in the best way possible.

Sincerely,

Allen W. Dulles  
Director

SA/PC/DCI:RMB:djm  
0&1 - Addressee  
2-DCI  
1-DDCI  
1-DD/I  
1-DD/A  
1-DD/P  
1-SA/PC/DCI  
1-PCS (return & file)  
1-PCB Chrono  
1-Comptroller-thru DD/A

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